
HOUSE BILL No. 1086

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-6.1-4-6.1.

Synopsis: TRF military service credit. Provides for Indiana State Teachers' Retirement Fund (TRF) service credit for military service performed before teacher training and service.

Effective: July 1, 2002.

Smith M

January 8, 2002, read first time and referred to Committee on Rules and Legislative Procedures.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1086

A BILL FOR AN ACT to amend the Indiana Code concerning public pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-6.1-4-6.1, AS AMENDED BY P.L.184-2001,
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2002]: Sec. 6.1. (a) This subsection applies to members who
4 retire before July 1, 1980. A member who had completed four (4) years
5 of approved college teacher training before voluntary or involuntary
6 induction into the military services is entitled to credit for that service
7 as if the member had begun teaching before the induction. A member
8 who serves in military service is considered a teacher and is entitled to
9 the benefits of the fund if for or during the leave of absence the
10 member pays into the fund the member's contributions. Time served by
11 a member in military service for the duration of the hostilities or for the
12 length of active service in the hostilities and the necessary
13 demobilization time after the hostilities is not subject to the
14 one-seventh rule specified in section 5 of this chapter.
15 (b) This subsection applies to members who retire after June 30,
16 1980. A member who had completed four (4) years of approved college
17 teacher training before voluntary or involuntary induction into military

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1 service is entitled to credit for the member's active military service as
 2 if the member had begun teaching before the induction. A member who
 3 serves in military service is considered a teacher and is entitled to the
 4 benefits of the fund if:

- 5 (1) the member has an honorable discharge; and
- 6 (2) except as provided in subsection ~~(f)~~; (g), the member returns
 7 to active teaching service within eighteen (18) months after the
 8 completion of active military service.

9 The time served by a member in military service for the duration of the
 10 hostilities or for the length of active service in the hostilities and the
 11 necessary demobilization time after the hostilities is not subject to the
 12 one-seventh rule specified in section 5 of this chapter. However, not
 13 more than six (6) years of military service credit may be granted under
 14 this subsection. In order to be eligible for any military service credit
 15 under this subsection, a member must have at least ten (10) years of
 16 in-state service credit.

17 (c) This subsection applies to members who retire after May 1,
 18 1989. A member who had begun but had not completed four (4) years
 19 of approved college teacher training before voluntary or involuntary
 20 induction into the military services is entitled to service credit in an
 21 amount equal to the duration of the member's active military service if
 22 the following conditions are met:

- 23 (1) The member has an honorable discharge.
- 24 (2) Except as provided in subsection ~~(f)~~; (g), the member returns
 25 to a four (4) year approved college teacher training program
 26 within eighteen (18) months after the completion of active
 27 military service and subsequently completes that program.
- 28 (3) The member has at least ten (10) years of in-state service
 29 credit.

30 (d) This subsection applies to members who retire after May 1,
 31 1991, and who are employed at state institutions of higher education.
 32 A member who had begun but had not completed baccalaureate or
 33 post-baccalaureate training before voluntary or involuntary induction
 34 into military service is entitled to the member's active military service
 35 credit for the member's active military service in an amount equal to
 36 the duration of the member's military service if the following
 37 conditions are met:

- 38 (1) The member received an honorable discharge.
- 39 (2) Except as provided in subsection ~~(f)~~; (g), the member returns
 40 to baccalaureate or post-baccalaureate training within eighteen
 41 (18) months after completion of active military service and
 42 subsequently completes that training.



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(3) The member has at least ten (10) years of in-state service credit.

(e) The maximum amount of service credit that may be granted to a member who meets the conditions of subsection (c), or (d) is six (6) years. However, for purposes of subsection (c), or (d), the time served by the member in active military service for the length of active service in hostilities and necessary demobilization is not subject to the one-seventh rule specified in section 5 of this chapter.

(f) This subsection applies to members who retire after June 30, 2002. A member who began approved college teacher training after the completion of active duty in the armed services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

(1) The member has an honorable discharge.

(2) Except as provided in subsection (g), the member began an approved college teacher training program within eighteen (18) months after the completion of active military service and subsequently completed the training and entered teaching service.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(g) The board shall extend the eighteen (18) month deadline contained in subsection (b)(2), (c)(2), ~~or~~ (d)(2), **or (f)(2)**, if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from **entering or** returning to active teaching service or **entering or returning** to a teacher training program within eighteen (18) months after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

~~(g)~~ **(h)** If a member retires, and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection ~~(f)~~; **(g)**, the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a

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1 recomputation of benefits received before the date of the board's
2 determination.

3 ~~(h)~~ (i) Notwithstanding any provision of this section, a member is
4 entitled to military service credit and benefits in the amount and to the
5 extent required by the Uniformed Services Employment and
6 Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later
7 amendments.

8 ~~(i)~~ (j) Subject to the provisions of this section, an active member
9 may purchase not more than two (2) years of service credit for the
10 member's service on active duty in the armed services if the member
11 meets the following conditions:

12 (1) The member has at least one (1) year of credited service in the
13 fund.

14 (2) The member serves on active duty in the armed services of the
15 United States for at least six (6) months.

16 (3) The member receives an honorable discharge from the armed
17 services.

18 (4) Before the member retires, the member makes contributions
19 to the fund as follows:

20 (A) Contributions that are equal to the product of the
21 following:

22 (i) The member's salary at the time the member actually
23 makes a contribution for the service credit.

24 (ii) A rate, determined by the actuary of the fund, that is
25 based on the age of the member at the time the member
26 actually makes a contribution for service credit and
27 computed to result in a contribution amount that
28 approximates the actuarial present value of the benefit
29 attributable to the service credit purchased.

30 (iii) The number of years of service credit the member
31 intends to purchase.

32 (B) Contributions for any accrued interest, at a rate determined
33 by the actuary of the fund, for the period from the member's
34 initial membership in the fund to the date payment is made by
35 the member.

36 However, a member is entitled to purchase service credit under this
37 subsection only to the extent that service credit is not granted for that
38 time under another provision of this section. At least ten (10) years of
39 service in Indiana is required before a member may receive a benefit
40 based on service credits purchased under this section. A member who
41 terminates employment before satisfying the eligibility requirements
42 necessary to receive a monthly allowance or receives a monthly

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1 allowance for the same service from another tax supported public
2 employee retirement plan other than under the federal Social Security
3 Act may withdraw the purchase amount plus accumulated interest after
4 submitting a properly completed application for a refund to the fund.

5 ~~(j)~~ **(k)** The following apply to the purchase of service credit under
6 subsection ~~(i)~~ **(j)**:

7 (1) The board may allow a member to make periodic payments of
8 the contributions required for the purchase of the service credit.
9 The board shall determine the length of the period during which
10 the payments must be made.

11 (2) The board may deny an application for the purchase of service
12 credit if the purchase would exceed the limitations under Section
13 415 of the Internal Revenue Code.

14 (3) A member may not claim the service credit for purposes of
15 determining eligibility or computing benefits unless the member
16 has made all payments required for the purchase of the service
17 credit.

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